The Path Forward in Texas: HB 51
CGS Annual Meeting
December 2010

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Path Forward’s Fundamental Assumption:
- U.S. economic competitiveness rests on producing graduate degree holders with advanced knowledge and skills prepared to function in the 21st-century knowledge-based economy
- Number of jobs requiring an advanced degree to grow by about 2.5M by 2018: masters +18% PhD’s +17%

Recommendations to Universities:
- Continue efforts to improve completion rates, especially at the doctoral level
- Clarify varied career pathways for doctoral students
Roadblocks in the Path to the Recommendations*

- High attrition [35-50%] and slow completion [30-60% in 7 years] in Ph.D. programs
- Low visibility of attractive career paths outside of the academy for doctoral graduates
- Lack of attention to nontraditional skills, e.g. ability to acquire new skills, hybrid training, intercultural and international competence
- Significant student debt at graduation: Bachelors $20K, Master’s $50K, Doctorate $75K
- Under represented minorities (URMs) go to graduate school at half the rate of whites

*Source: Bob Sowell, THECB-GEAC, November 2010
Recent efforts in Texas are consistent with the Path Forward’s specific recommendations for universities. THECB has designated 7 “emerging research universities” (ERUs): TTech, Houston, UNT, UTA, UTD, UTEP, and UTSA. Consensus: Texas has Rice, A&M, & UT Austin but needs more national research universities to undertake research with economic development potential and to train future faculty and researchers. Texas receives $3.7B per year less than its share based on population of Federal R&D and venture capital dollars.* Texas attracts 4K H.S. students from other states to Ph.D. granting universities but loses 10K H.S. students.* Texas does not have nearly as many top scientists and engineers as some other states.*

• In 2009, Texas enacted HB 51, landmark omnibus higher education law that provides an acceptable political solution to building additional national research universities
• TRBs for Texas A&M-Galveston and UT Medical Branch at Galveston for Hurricane Ike renovations
• Creates program excellence grant program for institutions that are not research universities or ERUs
• Allocates annual $262.5M to authorized institutions for FY 2011-2015 from general revenue instead of the constitutionally-dedicated Higher Education Fund
• Creates university performance incentive funding: at-risk student enrollments and student graduation rates in critical fields
• Heart of HB 51: Converts Higher Education Fund (HEF) to the National Research University Fund (NRUF) with voter approval in Fall 2009
• Specifies ERU eligibility criteria for NRUF funds to support research
• Creates Texas Research Incentive Program (TRIP) for matching of eligible gifts to enhance research at ERUs
• Creates Research University Development Fund (RUDF) for faculty recruiting and retention and enhancing research at A&M, Austin, and ERUs: Based on research expenditures
NRUF Eligibility Criteria

- NRUF: Initial gateway is $45M in restricted research expenditures
- An ERU must then satisfy 4 of the following 6 criteria:
  1) Endowment of $400M or more
  2) Awards 200 PhDs or more
  3) Entering class demonstrates high academic achievement
  4) Member of ARL or has Phi Beta Kappa chapter or has received equivalent recognition (Phi Kappa Phi)
  5) Has high quality faculty
  6) Has high quality graduate programs
- In consultation with ERUs, THECB is developing standards for these criteria
• Excellence in Specific Programs: No funding
• Performance Incentive: $40M in each of 2 years (ARRA Funds)
• HEF Allocation: $262.5M in each of 2 years (General Revenue)
• RUDF: No funding
• TRIP: $25M in each of two years
• NRUF: No distributions until FY 2012. Corpus is about $584M and generates 4.5% to 8% income annually
• HB 51 does not address how much first ERU meeting criteria will be awarded in FY 2012
• Texas faces $17B-$25B deficit for FY12 and FY13
• 2011 legislative session unlikely to add new funds to HB 51
Impact of HB 51

- All 7 ERUs concentrating on 6 criteria and core mission of a research university regardless of what occurs in 2011 Texas legislative session
- All 7 ERUs becoming better institutions in ways consistent with Path Forward recommendations for improving doctoral education and completion rates
- THECB and GEAC improved review of new Ph.D. program proposals, created Ph.D. program reporting, improved reporting and policies for program review and low producing programs
- Recently, CGS’s Sowell briefed GEAC on Path Forward as part of discussion of GEAC’s next steps